

**J. AWAN CAPITAL SINGLE PERSON
COMPANY
(A LIMITED LIABILITY COMPANY WITH
GULF CAPITAL)**

**PREVIOUSLY KNOWN AS AWAN SAUDI
SINGLE PERSON COMPANY**

FOR THE YEAR ENDED 31 DECEMBER 2023

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

J. Awan Capital Single Person Company
(A Limited Liability Company with Gulf Capital)
Previously known as Awan Saudi Single Person Company

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
For the year ended 31 December 2023

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INDEPENDENT AUDITOR'S REPORT

J. Awan Capital Single Person
(A Limited Liability Company with Gulf Capital)
Riyadh; Kingdom of Saudi Arabia

Opinion

We have audited the financial statements of J. Awan Capital Single Person (A Limited Liability Company with Gulf Capital) ("the Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive loss, statement of changes in partners' equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (Referred to as the "International Financial Reporting Standard for Small and Medium-sized Entities Endorsed in Saudi Arabia").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium- size entities ("IFRS for SMEs") that is endorsed in the Kingdom of Saudi Arabia and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and the Company's Articles of Association, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Sultan Ahmed Mohammed Alshubaily CPA Co.
شركة سلطان أحمد محمد الشيبلي محاسبون ومراجعون قانونيون

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

J. Awan Capital Single Person
(A Limited Liability Company with Gulf Capital)
Riyadh; Kingdom of Saudi Arabia

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Sultan Ahmed Mohammed Alshubaily
Certified Public Accountant Company
Riyadh, Kingdom of Saudi Arabia

Sultan Ahmed Alshubaily
Certified Public Accountant - License No. 600

Date: 15 Ramadan 1445H
Corresponding: 25 March 2024



J. Awan Capital Single Person Company
(A Limited Liability Company with Gulf Capital)
Previously known as Awan Saudi Single Person Company

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	31 December 2023 SR	31 December 2022 SR
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	821,827	888,307
Trade Receivable, net	6	606,609	215,707
Unbilled Revenue	7	-	78,467
Prepayments and other assets	8	63,219	53,987
TOTAL CURRENT ASSETS		1,491,655	1,236,468
NON-CURRENT ASSETS			
Property and equipment, net	9	44,198	78,105
TOTAL ASSETS		1,535,853	1,314,573
LIABILITIES AND OWNERS' EQUITY			
CURRENT LIABILITIES			
Accrued expenses and other payables	10	239,832	78,743
Zakat payable	13	31,878	29,532
TOTAL CURRENT LIABILITIES		271,710	108,275
NON-CURRENT LIABILITIES			
Employees' defined benefit liabilities	12	34,775	13,094
TOTAL NON-CURRENT LIABILITIES		306,485	121,369
OWNERS' EQUITY			
Capital	14	768,000	768,000
Statuary reserve	15	52,411	48,795
Retained earnings		408,957	376,409
TOTAL OWNERS' EQUITY		1,229,368	1,193,204
TOTAL LIABILITIES AND OWNERS' EQUITY		1,535,853	1,314,573

The accompanying notes from 1 to 21 are an integral part of these financial statements.

J. Awan Capital Single Person Company
(A Limited Liability Company with Gulf Capital)
Previously known as Awan Saudi Single Person Company

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 SR	2022 SR
Revenue		1,802,011	1,474,951
Cost of Revenue	16	(1,152,944)	(625,553)
GROSS PROFIT		649,067	849,398
General and administrative expenses	17	(725,400)	(458,320)
(LOSS) / PROFIT FROM THE MAIN OPERATION		(76,333)	391,078
Other revenue	18	144,375	6,534
INCOME BEFORE Zakat		68,042	397,612
Zakat	13	(31,878)	(29,532)
PROFIT FOR THE YEAR		36,164	368,080
OTHER COMPREHENSIVE INCOME			
Other comprehensive income			-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		36,164	368,080

The accompanying notes from 1 to 21 are an integral part of these financial statements.

J. Awan Capital Single Person Company
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STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2023

	Share capital SR	Statutory Reserve SR	Retained earnings SR	Total SR
As at 1 January 2022	768,000	11,987	45,137	825,124
Profit for the year	-	-	368,080	368,080
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	368,080	368,080
Transfer to statutory reserve	-	36,808	(36,808)	-
As at 31 December 2022	768,000	48,795	376,409	1,193,204
Profit for the year	-	-	36,164	36,164
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	36,164	36,164
Transfer to statutory reserve	-	3,616	(3,616)	-
As at 31 December 2023	768,000	52,411	408,957	1,229,368

The accompanying notes from 1 to 21 are an integral part of these financial statements.

J. Awan Capital Single Person Company
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STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 SR	2022 SR
OPERATING ACTIVITIES			
Income before tax		68,042	397,612
Adjustments			
Depreciation	9	33,907	22,534
Provision for employees' defined benefit liabilities	12	21,681	13,094
(Reversal) Provision for employees' defined benefit liabilities	12	-	(6,534)
Operating cash flows before movements in working capital		123,630	426,706
Movements in operation Assets and liabilities			
Trade Receivable		(390,902)	(85,642)
Prepayments and other assets		(9,232)	31,893
Unbilled revenue		78,467	(31,850)
Accrued expenses and other payables		161,089	53,881
Cash (used in) / from Operation		(36,948)	394,988
Zakat paid	13	(29,532)	(18,107)
Net cash (used in) / from operating activities		(66,480)	376,881
INVESTING ACTIVITIES			
Addition of property and equipment	9	-	(96,921)
Net cash used in investing activities		-	(96,921)
Change in cash and cash equivalents		(66,480)	279,960
Cash and cash equivalents at the beginning of the year		888,307	608,347
Cash and cash equivalents at the end of the year		821,827	888,307

The accompanying notes from 1 to 21 are an integral part of these financial statements.

J. Awan Capital Single Person Company
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Previously known as Awan Saudi Single Person Company

NOTES TO FINANCIAL STATEMENTS

For the year end 31 December 2023

1. INCORPORATION AND ACTIVITIES

Awan Saudi Single Person Company (the “Company”) is A Limited Liability Company with Gulf Capital. The Company is registered in Riyadh Kingdom of Saudi Arabia, commercial registration number 1010931227 dated 21 Rabi AL Akhir 1439H (corresponding to 8 January 2018). Providing senior management consultancy and Activities related to integrated administrative services for offices. The company have obtained a license from the Capital Market Authority on 4/11/1444H (corresponding to 24 May 2023)

Headquarters:

AWAN HOLDINGS Private Company Limited by Shares is an Emirati citizen registered in Dubai United Arab Emirates, Register or its equivalent under No. 647 dated 9/10/1438 AH issued by Abu Dhabi Global Market

2. BASIS OF PREPARATION

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (Referred to as the "International Financial Reporting Standard for Small and Medium-sized Entities Endorsed in Saudi Arabia")

Basis of measurement

The financial information has been prepared under the historical cost convention,

Presentation and functional currency

These financial statements are presented in Saudi Riyal (“SR”), which is the Company’s functional and presentation currency

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Company in preparing these financial statements.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Financial assets and financial liabilities

Financial assets included in the financial position mainly is a cash and cash equivalent, Trade Receivable, Financial liabilities, includes Accrued expenses.

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment and uncollectibility of financial assets

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the profit or loss in the statement of comprehensive income. Impairment is determined as follows:

- For assets carried at amortized cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the original effective interest rate.
- The impairment loss is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company would receive for the asset if it were to be sold at the reporting date.

Offsetting a financial asset and a financial liability

A financial asset and liability is offset and the net amount reported in the financial statements, when the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consists of bank balances and cash on hand.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

The Company applies the following annual rates of depreciation to its property and equipment:

Type of assets	Number of years
1- Computers	3 years
2- Furniture and fixtures	3 years

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

Impairment of non-financial assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in statement of comprehensive loss.

Trade Payables and accrued expenses and other credit balance.

Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method. Trade payables denominated in a foreign currency are translated into presentation currency using the ex- change rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Company has:

- A present legal or constructive obligation as a result of a past event.
- It is probable that an outflow of economic resources will be required to settle the obligation in the future.
- The amount can be reliably estimated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax and zakat rate reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognised as part of the finance costs in the profit or loss in the statement of comprehensive income.

Zakat

The Company is subject to the Zakat, Tax and Customs Authority (“ZATCA”) in the Kingdom of Saudi Arabia. Zakat is provided on an accrual basis in each financial year charge in the statement of comprehensive income. The zakat charge is computed on the zakat base. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared

Employees’ defined benefits liabilities

The Company operates a defined benefit scheme for its employees in accordance with labor regulations applicable in the Kingdom of Saudi Arabia. The liabilities are recognised in the statement of financial position at the reporting date. Defined benefits liabilities are the present value of the defined benefits obligations at the reporting date. The cost of providing the benefits under the defined benefits plan is determined using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the profit or loss in the statement of comprehensive income.

Interest expense is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the following changes in the net defined benefit obligation under direct cost or general and administration expenses or selling and marketing in the statement of comprehensive income (According to their function).

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements, and
- Net interest expense or income

The defined benefit asset or liability comprises the present value of the defined benefit obligation, less past service costs and less the fair value of plan assets out of which the obligations are to be settled. However, currently the plan is unfunded and has no assets.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. The Company does not have any finance leases.

Expenses

Cost of revenue represents the costs related directly to the labours and other contracts costs. All other expenses are classified as general and administrative expenses.

Revenue Recognition

Revenue represents the fair value of the consideration received or receivable for goods sold, net of returns, trade discounts, and volume rebates. The Company recognizes revenue when the amount of revenue can be measured reliably, or it is probable that future economic benefits will flow to the entity and specific criteria are met for each of the Company’s activities as described below:

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

- a. The ability to measure the amount of revenue reliably.
- b. The economic benefits associated with the sale may flow to the company.
- c. The ability to reliably measure costs incurred or to be incurred in connection with the sale.
- d. Transfer of the significant risks and benefits associated with ownership of the inventory, and this occurs when the ownership is transferred to the customer.
- e. Failure to maintain a continuous management relationship to the extent that it usually relates to ownership or effective control of the inventory included in the service provided.

4 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material differences in the carrying amounts of assets and liabilities within the next financial period, are presented below. The Company used these assumptions and estimates on the basis available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provisions

By their nature, provisions are dependent upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. Provisions for litigation are based on an estimate of the costs, taking into account legal advice and other information presently available. Provisions for termination benefits and exit costs, if any, also involve management's judgment in estimating the expected cash outflows for severance payments and site closures or other exit costs. Provisions for uncertain liabilities involve management's best estimate of whether cash outflows are probable.

Estimated useful lives of property, and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation on a straight-line basis over their estimated useful lives. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the useful lives and residual value of the assets at each annual reporting period and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of trade receivables

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of the past due.

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2023

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

5- CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
	SR	SR
Cash in hand	894	1,261
Cash at bank	820,933	887,046
	821,827	888,307

6. TRADE RECEIVABLE ,Net

	31 December 2023	31 December 2022
	SR	SR
Trade Receivable	610,459	219,557
Provision for doubtful debt	(3,850)	(3,850)
	606,609	215,707

The movement during the year in Provision for bad debts is as follows:

	31 December 2023	31 December 2022
	SR	SR
Balance at beginning of the year	3,850	3,850
Charged to profit or loss (note 17)	-	-
	3,850	3,850

The ageing of unimpaired accounts receivable was as follows:

	Total	Neither past due nor impaired	Past due but not impaired			
			< 90 days	90 – 180 days	180-360 days	> 360 days
	SR	SR	SR	SR	SR	SR
31 December 2023	610,459		392,393	218,066	-	-
31 December 2022	219,557	-	219,557		-	-

7. UBILLIED REVENUE

The Accrued revenue primarily relate to the work has been completed in 2022 and invoiced in 2023.

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2023

8. PREPAYMENTS AND OTHER ASSETS

	31 December 2023	31 December 2022
	SR	SR
Prepaid License	21,351	1,450
Prepaid Rent	16,002	9,159
Prepaid medical insurance	12,795	3,378
Third party insurance	10,000	10,000
Staff loan	-	30,000
Others	3,071	-
	63,219	53,987

9. PROPERTY AND EQUIPMENT

As at 31 December the net book value of the property and equipment as follow:

	Computers SR	Furniture and fixtures SR	Total 2023 SR	Total 2022 SR
Cost:				
At the beginning of the year	65,983	40,661	106,644	9,723
Additions	-	-	-	96,921
At the end of the year	65,983	40,661	106,644	106,644
Depreciation:				
At the beginning of the year	16,323	12,216	28,539	6,005
Charge for the year	20,820	13,087	33,907	22,534
At the end of the year	37,143	25,303	62,446	28,539
Net book amounts:				
At 31 December 2023	28,840	15,358	44,198	
At 31 December 2022	49,660	28,445		78,105

10. ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2023	31 December 2022
	SR	SR
Accrued Bonus	107,000	-
VAT payable	100,490	49,741
Accrued professional fees	22,000	22,000
Accrued GOSI	7,490	7,002
Others	2,852	-
At 31 December	239,832	78,743

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2023

11. DUE TO RELATED PARTIES

<u>Related Party</u>	<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>2023 SR</u>	<u>2022 SR</u>
J Awan and Partners Limited	Partner	Waived loans from related parties	-	-
J Awan and Partners Limited Liability Company	Partner	Waived loans from related parties	-	-
Jehanzeb Awan	CEO in the mother Company	Waived loans from related parties	-	-
			<u>31 December 2023 SR</u>	<u>31 December 2022 SR</u>
J Awan and Partners Limited			-	-
J Awan and Partners Limited Liability Company			-	-
Jehanzeb Awan			-	-
Current accrued expenses and other payables			<u>-</u>	<u>-</u>

Key management and rewards:

There were no remuneration of directors and other key management were charged during the current year and prior year.

12. EMPLOYEES' DEFINED BENEFIT LIABILITIES

	<u>2023 SR</u>	<u>2022 SR</u>
Balance at the beginning of the year	13,094	6,534
Charge during the year	21,681	13,094
Reversal during the year	-	(6,534)
Balance at the end of the year	<u>34,775</u>	<u>13,094</u>

13. ZAKAT

The zakat provision computed based on the zakat base as follows:

	<u>2023 SR</u>	<u>2022 SR</u>
Capital	768,000	768,000
Begging balance of Retained earnings	376,409	45,137
Adjusted Zakat profit	89,723	410,706
Provision and other additions	48,795	15,837
Less: property and equipment	(44,198)	(78,105)
Zakat base	<u>1,238,729</u>	<u>1,161,575</u>
Zakat Expense	<u>31,878</u>	<u>29,532</u>

The current year provision is based on 2.5% of the Zakat base or adjusted Zakat profit which is bigger. Differences between the financial and Zakat profit are mainly due to provisions and certain expenses which are disallowed for Zakat purposes.

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2023

13. ZAKAT (continued)

The movement in Zakat payable is as follows:

	2023	2022
	SR	SR
Balance at beginning of the year	29,532	18,107
Charged for the year	31,878	29,532
Payment during the year	(29,532)	(18,107)
Balance at end of the year	31,878	29,532

ZAKAT Position

The institution submitted its zakat returns for the year ending on December 31, 2022, and obtained a final zakat certificate. The final zakat assessment has not been made for the institution to date.

14. CAPITAL

Dated on 1st of Rabie Alawal 1443H (Corresponding 7th of October 2021), the partner of the company met and decide to restructure the capital of company to waive the loans from related parties, and transfer it to retained earnings then, move it to the capital of the company, the shareholder decide to increase the capital from SR 20,000 to SR 768,000 by transferring from

retained earnings amounting to SR 620,000 and Transfer from the bank amounting to SR 128,000 to the capital of the company, the legal procedure were completed during the year.

The capital consists of amounting to SR 768,000 each with a shares of 768,000 shares with a value of SR 1 for each The entire capital is owned by Awan Holding Company registered in United Arab Emirates.

15. STATUTORY RESERVE

As required by Saudi Arabian Regulations for Companies, the Company must set aside 10% of its net income in each year until it has built up a reserve equal to 30% of the capital.

16. COST OF REVENUE

	2023	2022
	SR	SR
Employees' Salaries and benefits	850,770	480,854
Commission	85,737	38,517
office expenses	84,969	24,652
Medical Insurance	33,196	7,623
Subscription	33,014	49,506
Training	12,885	12,281
Travelling and related costs	-	6,000
Others	52,373	6,120
	1,152,944	625,553

J. Awan Capital Single Person Company
(A Limited Liability Company with Gulf Capital)
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2023

17. GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
	SR	SR
Employees' Salaries and benefits	276,816	187,579
Rent	201,757	123,095
Professional fees	176,650	59,750
Depreciation (note 9)	33,907	22,534
End of service indemnity (note 12)	21,681	13,094
services	13,449	14,729
Repairs and maintenance	1,140	37,539
Total	725,400	458,320

18. OTHER REVENUE

	2023	2022
	SR	SR
Bookkeeping Services	144,375	
Reversal of end of service indemnity (note 12)	-	6,534
Total	144,375	6,534

19- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments Risk Management

The Company's main activity is subjected for financial risk which is comprised. Markit risk (which is currency risk, fair value risk cash flow from Foreign currency risk and Currency risk), Credit risk and Liquidity risk. The company management oversees the fluctuation of the unexpected financial market, And search for the probability of reducing the negative influence probability on the company's main operation.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Senior Management reviews and agrees policies for managing each of these risks, which are summarized below.

Currency risk

Is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi riyal and United States dollar. Currency risk is managed on regular basis.

Liquidity risk

Is the risk that the company will encounter difficulty in raising funds to meet commitment associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are Available to meet any future commitments.

Credit risk

Is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The company has no significant concertation of credit risk. Cash is substantially placed with national banks with sound credit ratings.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company did not have any significant foreign currency denominated monetary assets or liabilities at the reporting date for which it was exposed to foreign currency fluctuations. Consequently, no foreign currency sensitivity analysis has been presented.

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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2023

19- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to two types of risk: interest rate risk, and currency risk. Financial instruments affected by market risk

Financial instrument Fair value

Is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date as the accompanying financial statements are prepared under the historical cost method, differences may arise between the book values and the fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

20-COMPARATIVE INFORMATION

Certain amounts in the prior period have been reclassified in order to conform to the presentation for the current year.

21-APPROVALS OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorized to issue on 15 Ramadan 14445 H (corresponding to 25 March 2024).